

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

ANNUAL COMPLIANCE REVIEW, 2015

Docket No. ACR2015

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 1-23 OF CHAIRMAN'S INFORMATION REQUEST NO. 4

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 4, issued on January 15, 2016. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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1. On page 31 of the FY 2015 ACR, the Postal Service states that "some of the information that it is utilizing to calculate flats costs has been available for substantially less than a full year."
 - a. Please identify the information which has been available for less than a full year.
 - b. Please explain why this information has only been available for less than a full year.
 - c. Will this information be available in future fiscal years?
 - d. Does the Postal Service expect to encounter incomplete information for calculating flats costs in future fiscal years?
 - i. If no, please explain the steps the Postal Service is taking to ensure that necessary data will be available.
 - ii. If yes, please explain:
 1. What information is expected to be unavailable?
 2. Why this information will be unavailable?
 3. The steps the Postal Service is taking to improve the availability of necessary information.

RESPONSE:

- a. The information that has been available for less than a full year is cost information about pieces entered after the May 31, 2015 establishment of the new FSS rate categories pursuant to Docket No. R2015-4.
- b. By definition, this information only became available for the last four months of the fiscal year.
- c. Unless the Docket No. R2015-4 classification changes were for some reason reversed (a course of action that the Postal Service has no current plans to pursue), this information will be available in future fiscal years.

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d. No.

- i. The necessary step was already taken in Docket No. R2015-4.
- ii. Not applicable.

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2. The table below shows the Standard Mail Flats volume trend from FY 2011 to FY 2015.

Standard Mail Flats Volumes (in Billions)				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
6.79	5.94	5.57	5.05	5.25
Source: FY2011-2012 ACD; FY2013-2014 Financial Reports; FY2015 Public Cost and Revenue Analysis Report (Library Reference USPS-FY15-2)				

As can be calculated from the table, Standard Mail volumes increased approximately 4 percent in FY 2015 compared to FY 2014 (from 5.05 billion to 5.25 billion).

- a. How much of the increase was due to the Standard Mail Flats classification change that went into effect on May 31, 2015 requiring flats destinating to a FSS zone to be entered under the Standard Mail Flats product? See Docket No. R2015-4, Order No. 2471, Order on Revised Price Adjustments for Standard Mail, Periodicals, and Package Services Products and Related Mail Classification Changes, May 7, 2015.
- b. How much of the increase was due to other factors? Please identify and provide an explanation for each contributing factor.

RESPONSE:

- a. As of May 31, 2015, Standard Mail Flats declined 6.8 percent relative to the same period last year (SPLY). Thus, the entirety of the increase was likely due to the classification change.

The Standard Mail Flats volume from October 1, 2013 through May 31, 2014 totaled 3,474,384,492 pieces. However, Standard Mail Flats volume from October 1, 2014 through May 31, 2015 fell to 3,237,930,262. After May 30, 2015, volumes in the new FSS cells totaled 770,478,024 pieces. The Blended

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Rate tabs in the PRC file "PRC CAPCALC-STD-R2015-4.xlsx"¹ indicate that out of 2,102,848,047 pieces expected to populate these cells in the upcoming year, 1,474,447,493 pieces, or 70.12 percent, would be expected to migrate from Carrier Route and High Density and Saturation flats/parcels. If we assume that 70.12 percent of 770,478,024 pieces in these new price cells migrated from cells that previously were not Standard Mail Flats cells, we can assume that 540,259,190 of the Standard Mail Flats pieces were caused by the classification change. Standard Mail Flats would have had 4,708,245,638 pieces without the classification change which is clearly lower than the FY 2014 Standard Mail Flats pieces total of 5,054,394,637 pieces. The drop from 5,054,394,637 pieces to 4,708,245,638 pieces is 6.8 percent which is consistent with the Standard Mail volume drop that occurred prior to the classification change.

- b. The increase was not due to other factors, please see response to a.

¹ See Docket R2015-4, PRC-LR-R2015-4/9 Folder, "PRC-CAPCALC-STD-R2015-4.xlsx", "FSS Blended Rate Auto" tab and "FSS Blended Rate NonAuto" tab, filed May 7, 2015.

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3. The table below shows the Standard Mail Flats unit costs trend from FY 2011 to FY 2015.

Standard Mail Flats Unit Costs (in \$)				
FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
0.46	0.46	0.45	0.49	0.50
Source: FY2011-2012 ACD; FY2013-2014 Financial Reports; FY2015 Public Cost and Revenue Analysis Report (Library Reference USPS-FY15-2)				

Please explain why unit costs increased approximately 3 percent from FY 2014 to FY 2015 (from \$0.49 to \$0.50). In your response, please discuss the impact that the Standard Mail Flats classification change (see question 2) has had on the increase in unit costs for Standard Mail Flats.

RESPONSE:

The FY 2015 increase in unit costs for Standard Mail Flats is most likely explained by the implementation of Proposal Thirteen, a new city carrier letter route street cost model.² In no other functional area (mail processing, purchased transportation, or rural carriers) was there a material change in unit costs for Standard Mail Flats. In the Postal Service's petition seeking approval of Proposal Thirteen, the expected impact on each product was presented in terms of FY 13 costs.³ Based on that, the ACR for FY2015 on page 29 indicated an expected impact of this and related methodology changes on Standard Mail Flats unit costs at right around one cent.

As explained in the preface to USPS-FY15-31, in both FY2014 and in FY2015, FSS markings issues were impeding the accurate allocation of costs among flat-shaped

² See Docket No. RM2015-7, Proposal Thirteen, Order No. 2792, October 29, 2015.

³ See Docket No. RM2015-7, Petition of the United States Postal Service for the Initiation of a Proceeding to Consider Proposed Change in Analytical Principles (Proposal Thirteen) at 10.

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pieces within Standard Mail. Since that condition existed, to a large extent, in both years, however, and since the same adjustment was made in both the FY2014 ACD and the FY2015 CRA to offset those circumstances to the extent possible, the FSS markings issue is probably not responsible for the reported difference in FY2014 and FY2015 unit costs. The classification change identified in Question 2 is believed to have resolved the markings issue for the latter part of FY2015. But, as stated above, the explanation for the difference in the reported costs for FY2014 and FY2015 appears to be implementation of the new city carrier variability study.

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4. Library Reference USPS-FY15-4, Excel file "FY15 Media and Library BDs.xls," tab "Library BD_sp Full," cell D8 shows Single Piece Library Mail piece volume of 4,061,864. However, the billing determinants for Single Piece Library Mail piece volume is 1,535,757. *Id.* cell D20. Please reconcile these numbers and revise the Excel file where appropriate.

RESPONSE:

The correct volume is 4,061,864. The corrected billing determinants are filed within USPS-FY15-44 as ChIR_4.Q4.Response.xlsx.

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5. The Postal Service states in Library Reference USPS-FY15-4, Excel files "FY15 BPM_BDs" and "FY15 Media and Library BDs" that the distribution of pieces and weight are estimated on the basis of a special weight report. Please provide the special weight report.

RESPONSE:

There are two special weight reports for each quarter that are used to distribute the BPM volumes. One of those reports is also used to distribute Media Mail/Library Mail. The set that is used to distribute both BPM and Media Mail/Library Mail is combined into a single workbook containing four tabs (ChIR_4.Q5.Response.BPM-Media). The other set, which is exclusively used for BPM, is provided as four separate workbooks, one for each quarter (ChIR_4.Q5.Response.BPM-Qtr.1.xlsx; ChIR_4.Q5.Response.BPM-Qtr.2.xlsx; ChIR_4.Q5.Response.BPM-Qtr.3.xlsx; ChIR_4.Q5.Response.BPM-Qtr.4.xlsx). These files are provided within USPS-FY15-44.

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- 6.** The Postal Service states that the Alaska Bypass Service volume is 1,282,023 in Library Reference USPS-FY15-42, Excel file "Fy2015_RPWsummaryreport_public.xls," cell L51. However, the billing determinants for the Alaska Bypass Service volume is 1,276,228 in Library Reference USPS-FY15-4, Excel file "FY15 Alaska Bypass BDs.xls," cell G7. Please reconcile these numbers and revise the Excel file where appropriate.

RESPONSE:

The correct volume is 1,282,023. A revised Excel file

(ChIR_4.Q6.Response.xlsx) is provided within USPS-FY15-44, correcting the billing determinants to match the RPW figures in USPS-FY-42.

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7. The Postal Service states that the Bound Printed Matter (BPM) Parcel revenue is \$284 million. FY 2015 ACR at 47. However, the Revenue, Pieces, and Weight (RPW) shows BPM Parcel revenue of \$283,462 million in Library Reference USPS-FY15-42, Excel file "Fy2015_RPWSummaryreport_public.xls," cell D55. Please reconcile these amounts.

RESPONSE:

The \$283.462 million revenue in USPS-FY15-42 was rounded to \$283.5 million in USPS-FY15-1. The table in the FY2015 ACR at 47 just copies the figures from USPS-FY15-1, with the \$283.5 million figure rounded up to \$284 million. The only exception is the Contribution figure of \$45 million, which is the rounded result of the difference between the unrounded Revenue and Attributable Cost figures from USPS-FY15-1.

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8. In Library Reference USPS-FY15-4, Excel file "FY15 BPM_ BDs.xls," tab "Presort Flats BD Full," the Postal Service states that "[d]ue to the methodological differences in [splitting] the quarter, the before and after volumes [of Presort BPM Flats] will not match the RPW Volumes shown above." Please explain the methodological differences and confirm the methodology used by the Postal Service to split the quarter.

RESPONSE:

This note is from an early draft of the billing determinants, and does not apply to the final billing determinants. A revised file, ChIR _4.Q8.Response.xlsx, removes the note, and is provided within USPS-FY15-44.

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9. In response to the Periodicals Pricing Efficiency Directive on page 1 of Appendix A to the FY 2014 ACD, the Postal Service states on page 46 of its FY 2015 ACR that it "implemented a pricing strategy designed to encourage the entry of more Carrier Route pallets in non-FSS zones."
- a. Please quantify the cost-savings impact of this pricing strategy for Periodicals for FY 2015. If the Postal Service cannot quantify the cost-savings impact, please discuss any obstacles to quantification.
 - b. Please quantify the contribution impact of this pricing strategy for Periodicals for FY 2015. If the Postal Service cannot quantify the contribution impact, please discuss any obstacles to quantification.

RESPONSE:

- a. The goal of the pricing strategy discussed on page 46 of the FY 2015 ACR is to provide incentives for customers who have the density needed to make 250-pound Carrier Route pallets, to move their Carrier Route bundles to pure Carrier Route pallets. As stated in the ACR, prior to the implementation of this strategy, most of these bundles were entered on 3-Digit/SCF pallets. By moving Carrier Route bundles from SCF pallets to Carrier Route pallets, the Postal Service would avoid a bundle sort, thus saving 55 cents per bundle. The Postal Service cannot know with precision the number of Carrier Route bundles that have moved to pure Carrier Route pallets in response to this price incentive, as the Postal Service cannot know how the customer would have prepared the mailing in the absence of the price incentive. However, in Quarter 4 of FY 2014, 3.729 million Carrier Route bundles were entered in 5-Digit/Carrier Route containers, and in Quarter 4 of FY 2015, 3.879 million bundles were entered in 5-

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Digit/Carrier Route containers. The movement in terms of number of bundles is fairly small due to the short time period during which the new rates have been in effect. Nonetheless, this indicates that the pricing incentive is having the intended effect and provides efficient pricing signals to the mailing community.

- b. At this point in time, this pricing strategy has had a minimal impact on contribution because, as discussed in response to part a, the number of Carrier Route bundles that have moved from 3-Digit/SCF pallets to pure Carrier Route pallets is relatively small due to the short time period during which the new rates have been in effect.

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- 10.** The Postal Service states on page 45 of its FY 2015 ACR that it “set the prices for Periodicals bundles and pallets based on the costs of handling them.”
- a. Please quantify the cost-savings impact of this pricing strategy for Periodicals for FY 2015. If the Postal Service cannot quantify the cost-savings impact, please discuss any obstacles to quantification.
 - b. Please quantify the contribution impact of this pricing strategy for Periodicals for FY 2015. If the Postal Service cannot quantify the contribution impact, please discuss any obstacles to quantification.

RESPONSE:

a-b. The goal of this pricing strategy is to provide customers with economically efficient pricing signals. It is not possible to quantify the direct cost savings or increases caused by this strategy, because the Postal Service does not know how the mail would have been prepared by the customer under an alternative pricing scheme. These signals over time should lead to more efficient mail preparation, given both customer and Postal Service cost structures. This pricing strategy, which sets component prices equal (or nearly equal) to estimated component costs, should have a minimal effect on contribution, as preparations that decrease (increase) the cost to the Postal Service are offset by decreases (increases) in revenue to the Postal Service.

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11. The Postal Service states on page 26 of its FY 2015 ACR that it “developed more robust pricing for FSS sorted mail with the intention of reducing processing costs and better utilizing equipment.”
- a. Please quantify the cost-savings impact of this pricing strategy for Periodicals for FY 2015. If the Postal Service cannot quantify the cost-savings impact, please discuss any obstacles to quantification.
 - b. Please quantify the contribution impact of this pricing strategy for Periodicals for FY 2015. If the Postal Service cannot quantify the contribution impact, please discuss any obstacles to quantification.

RESPONSE:

a-b. In FY 2015, the Postal Service introduced a separate presort rate element for barcoded and nonbarcoded FSS pieces. The initial price set for this new rate element was a blend of the Carrier Route rate and the 5-Digit rate and was set in this manner to smooth the transition to an independent FSS rate based on the piece distribution and delivery costs of FSS pieces. An independent FSS cost could not be developed for FSS pieces because the delivery cost for FSS pieces had not yet been developed. It is the intention of the Postal Service to, over time, establish FSS piece prices that reflect the cost of processing this mail so that customers can make efficient preparation decisions. Because the FSS rate is a blended rate, the Postal Service intended it to have a neutral effect on contribution. Because the rate has only been in effect since May 31, 2015 its effect on costs was minimal in FY 2015.

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12. The Postal Service states on page 46 of its FY 2015 ACR that it implemented a "slightly higher than average increase in piece prices...to improve some passthroughs."
- a. Please identify the piece prices to which this statement applies.
 - b. Please explain how the increased prices improved the passthroughs.
 - c. Please quantify the cost-savings impact of this pricing strategy for Periodicals for FY 2015. If the Postal Service cannot quantify the cost-savings impact, please discuss any obstacles to quantification.
 - d. Please quantify the contribution impact of this pricing strategy for Periodicals for FY 2015. If the Postal Service cannot quantify the contribution impact, please discuss any obstacles to quantification.

RESPONSE:

a-d. The sentence on page 46 of the FY 2015 ACR that is the basis of this question was deleted in errata filed January 21, 2016. While the Postal Service indeed increased the Periodicals piece prices for Mixed ADC Nonmachinable Barcoded Flats by 9.1 percent, ADC Nonmachinable Barcoded Flats by 10.4 percent, and 3-Digit/SCF Nonmachinable Barcoded Flats by 6.4 percent in Docket No. R2015-4,⁴ these increases did not have an impact on the workshare tables.⁵ Nonetheless, these price adjustments addressed the Commission's concern with the pre-barcoding discount for nonmachinable flats expressed in the FY 2013 ACD.⁶

⁴ PRC, Compliance Calculations for Periodicals, Excel File "R2015-4PeriodicalsCC.xlsx," tab "Outside County," PRC-LR-R2015-4/10, PRC Docket No. R2015-4 (May 7, 2015).

⁵ United States Postal Service, FY 2015 Discounts and Passthroughs of Workshare Items, Excel file "FY15 3 Worksharing Discount Tables.xls," tab "Periodicals Outside County," USPS-FY15-3, PRC Docket No. ACR2015 (Dec. 29, 2015).

⁶ Annual Compliance Determination Report, Fiscal Year 2013, PRC Docket No. ACR2013 (Mar. 27, 2014), at 20-21.

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13. On page 19 of its FY 2015 ACR, the Postal Service identifies a Delivery Point Sequence (DPS) performance metric of 59.99 percent for the Flats Sequencing System (FSS) in FY 2015. The Postal Service also identifies a Mail Pieces At-Risk metric of 5.34 percent in FY 2015.
- a. Please provide the calculation of the DPS metric. Specifically, as part of your response, please address whether the metric means that 59.99 percent of all flats destinating in FSS zones were sorted to DPS using the FSS.
 - b. Please provide the calculation of the Mail Pieces At-Risk metric. As part of your response, please address whether the 5.34 percent of all flats destinating in FSS zones were unable to be sorted to DPS using the FSS due to errors in mail preparation by mailers.
 - c. Please explain how the Postal Service processes the remaining 34.67 percent of flats that are used to calculate the FSS scorecard in FY 2015.

RESPONSE:

- a. The Postal Service calculated the FSS DPS percentage by dividing the FSS sequenced volume to DPS by the following denominator, (FSS Sequenced + AFSSM carrier route volume + Delivery Unit manually recorded volume). The metric essentially represents that 59.99 percent of all flats destinating in FSS zones was sorted to DPS using the FSS.
- b. The At-Risk metric calculation includes measurements that account for mail that is misfaced, mail piece destination not defined in the equipment sort plan, machine emergency stops, mail pieces with no address read, jams (feeder, tray, infeed, and ITC), machine stops, mail piece timeout due to the resolution not being returned in time, mail pieces returned by a keyer, mechanical rejects, culling rejects, mail not presented to the correct feeder in the correct order (sequencing rejects), out of sequence trays, double feeds, and recycling rejects. The 5.34 percent of flats in the

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Mail-Pieces At-Risk metric represents those pieces that did not follow the prescribed path of sortation on the FSS and required additional handling to ensure that the mail pieces meet service expectations. The calculation is not based on errors in mail preparation by mailers.

- c. The remaining flats volume, outside of the 59.99 percent FSS DPS percentage, are either processed on the AFSM to the carrier route or in manual operations.

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- 14.** Please explain why 10 percent of flats were manually sorted in FY 2015 as reported on page 21 of the FY 2015 ACR.
- a. Please quantify the cost of manually sorting 10 percent of flats.
 - b. Please discuss what steps the Postal Service is taking to reduce the number of flats that are manually sorted.

RESPONSE:

- a. The table on page 21 of the 2015 ACR presents handlings in all Management Operating Data System (MODS) flat operations and the handlings in MODS manual flat operations. In FY 2015, for the 2,130,633,910 pieces reported in MODS manual flat operations, 3,916,048 operating hours were recorded. At the average clerk and mail handler wage rate of \$40.361, this equates to a direct labor cost of \$158,055,613.
- b. In order to reduce the number of flats that are manually sorted, the Postal Service will continue to minimize bundle breakage by improving work methods, partnering with industry and developing technology to bypass bundle sortation. In addition, the Postal Service will strategically redeploy flats sorting equipment to replace manual sorting in sites with significant manual processing. The Postal Service will also focus on ensuring proper mail flow compliance when handling special sort machine bin assignments to prevent machinable volume from migrating to manual operations.

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- 15.** Please refer to the discussion of the Automated Parcel and Bundle Sorter (APBS) bin expansion program on page 21 of the FY 2015 ACR.
- a. Please quantify the “reduction of manual handling for packages” of flats achieved in FY 2015 through the APBS bin expansion program. If the Postal Service cannot quantify the reduction, please discuss any obstacles to quantification.
 - b. Please identify whether the FY 2015 APBS bin expansion program resulted in a reduction or increase of manual handling for bundles of flats. If the Postal Service cannot determine if a reduction or increase occurred, please discuss any obstacles to reaching a determination.
 - c. Please quantify any capital expenditures associated with the APBS bin expansion program in FY 2015.

RESPONSE:

- a. While the Postal Service is not able to quantify the amount of reduction of manual handlings for packages as a result of the 2015 bin expansion, total volume processed manually for 2015 increased at a lower rate than overall packages processed through the network. For 2015, the volume processed manually increased by approximately 4.91 percent over 2014, while the total volume processed through the network increased by approximately 8.95 percent.
- b. The Postal Service is not able to quantify the amount of reduction of manual handlings for bundles of flats as a result of the 2015 bin expansion program at this time. The focus of this program has not been on reducing manual handling of flat bundles, so cost savings have not been studied.
- c. For FY 2015, the APBS bin expansion program added 3520 bins, for a total investment of \$12.9 million.

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- 16.** The Postal Service states on page 23 of the FY 2015 ACR that it tested the High Speed Flats Feeder (HSFF) at three sites in FY 2015 and that it has “observed consistent productivity improvements over the current feeder technology on FSS.”
- a. Please provide the productivity of the HSFF FSS and compare it to the FSS without the HSFF.
 - b. Please quantify the cost savings achieved at the three test sites. If the Postal Service cannot quantify the cost savings achieved, please discuss any obstacles to quantification.

RESPONSE:

- a. Data are provided for Dulles P&DC and Philadelphia P&DC, where the HSFF was in use on one FSS machine at each site for all of FY 2015. At the third HSFF site, Royal Palm P&DC, HSFF operations began only at the end of FY 2015, so there is insufficient data to report. The cited ACR statement refers to the data shown below. Labor productivities are not available for HSFF FSS and non-HSFF FSS, since each site has both types of FSS and work hours are not available separately by machine type.

For the Dulles P&DC, there are 4 FSS systems, one of which is upgraded with HSFF (FSS machine #2). Below is the Dulles P&DC data for FY 2015 comparing the HSFF FSS system against the other 3 FSS systems.

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Dulles Summary Oct 1, 2014 - Sept 30, 2015			
	FSS 1, 3, 4	HSFF	HSFF % Improvement
Runs	6,876	2,047	na
Average Pieces Fed	44,191,490	53,320,311	21%
Avg Pcs per Run	17,789	26,048	46%
Pass 1 Throughput	25,439	25,160	-1%
Pass 2 Throughput (all runs)	20,360	24,310	19%
Pass 2 Throughput (VM4 only)	22,253		9%
Pass 2 Throughput (VM2 only)	15,252		59%
2-Pass Throughput (all runs)	8,444	10,136	20%
2-Pass Throughput (VM4 only)	8,692		17%
2-Pass Throughput (VM2 only)	7,778		30%
Accept Rate	90.46	93.84	3.7%
Average Op Hours per Day	15.09	14.80	-1.9%
Destacker Jam Rate Pass 1	1,597	8,184	412%
Destacker Jam Rate Pass 2	3,182	8,498	167%
Multifeed Rate	1.72%	0.85%	51%
%VM4 Runs	73%	0%	na

Notes:

Destacker Jam Rate definition – this is the rate at which the system stops processing mail at the feeder due to a jam. For example, a Destacker Jam Rate of 1,394 means the system stopped, on average, due to a jam, every 1,394 mail pieces. A higher number is the goal and would indicate very few stoppages.

Multifeed Rate definition – this is the rate at which mail pieces are fed as multifeeds (or doubles). The goal is to reduce multifeed mail pieces to as close to zero as possible.

For the Philadelphia P&DC, there are 2 FSS systems, one of which is upgraded with the HSFF (FSS machine #2). Below is Philadelphia P&DC data for FY 2015 comparing the HSFF FSS system against the other FSS system.

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Philadelphia Summary Oct 1, 2014 - Sept 30, 2015			
	Philly FSS 1	HSFF	HSFF % Improvement
Runs	1,948	1,890	na
Average Pieces Fed	46,467,612	53,791,208	16%
Avg Pcs per Run	23,854	28,461	19%
Pass 1 Throughput	26,572	26,232	-1%
Pass 2 Throughput (all runs)	22133	26,538	20%
Pass 2 Throughput (VM4 only)	25016		6%
Pass 2 Throughput (VM2 only)	16158		64%
2-Pass Throughput (all runs)	9,946	11,041	11%
2-Pass Throughput (VM4 only)	10,577		4%
2-Pass Throughput (VM2 only)	8,637		28%
Accept Rate	90.57	94.32	4.1%
Average Op Hours per Day	13.24	13.76	3.9%
Destacker Jam Rate Pass 1	1,394	6,448	363%
Destacker Jam Rate Pass 2	2,650	8,322	214%
Multifeed Rate	2.29%	1.02%	55%
%VM4 Runs	67%	0%	na

- b. We are continuing to test the HSFF under different operational environments to understand the potential cost savings impact of this new technology. Although it is too early to determine actual cost savings, we have observed positive trends in FSS operations which utilize the HSFF such as improved accept rate, increased machine throughput, and potential staffing efficiencies. Quantifying real cost savings will occur as we monitor sustained performance over time.

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17. The Postal Service states on page 25 of the FY 2015 ACR that requiring FSS Scheme pallet preparation enables more efficient FSS processing for the Postal Service. Please quantify the cost-savings impact of this preparation requirement strategy for FY 2015. If the Postal Service cannot quantify the cost-savings impact, please discuss any obstacles to quantification.

RESPONSE:

The Postal Service cannot quantify the cost-savings impact of FSS Scheme pallet preparation because such quantification would require, at a minimum and as described below, knowledge of the preparation of the mail in the absence of the FSS Scheme pallet preparation requirement.

In FY 2015, roughly 30 million FSS bundles were prepared on FSS Scheme pallets (10.2 million Periodicals bundles and 19.6 million Standard Mail bundles).

Because of the FSS Scheme pallet preparation, these 30 million bundles could be taken directly to the Stand Alone Mail Preparation (SAMP) operation and bypass bundle sortation. A bundle sort on the APPS costs the Postal Service 27.97 cents per bundle. However, the resulting cost-savings cannot simply be calculated by multiplying the APPS bundle sorting costs by 30 million for the following reasons: some of these bundles, in the absence of FSS preparation requirements, could have been prepared on 5-Digit or Carrier Route pallets, completely bypassing an APPS sort; additionally, without FSS bundle preparation, the pieces in the roughly 30 million bundles would have been prepared in either Carrier Route, 5-Digit, or 3-Digit bundles, likely resulting in a higher aggregate number of bundles.

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- 18.** Please refer to the Response to CHIR No. 4, question 9a. in the FY 2014 ACR proceeding. See Docket No. ACR2014, Responses of the United States Postal Service to Questions 1-4, 8-9 and 13-17 of Chairman's Information Request No. 4, February 6, 2015, question 9a.
- a. Please describe the status of the Lean Six Sigma project team's evaluation of methodologies to determine bundle breakage.
 - b. If the Lean Six Sigma evaluation is still ongoing, please provide an estimated timeframe for completion.
 - c. If the Lean Six Sigma evaluation has concluded, please identify the outcome and any recommendations as to measuring or reducing bundle breakage. Please state if any recommendations have been implemented and if not, please identify any obstacles to implementing any recommendations.

RESPONSE:

- a. The Postal Service developed a process to evaluate Electronic Documentation (eDoc) for full service mailings, which utilize the Intelligent Mail Barcode (IMb). The eDoc generates postage statements and supporting documentation that are critical to mail entry within the Postal Service network. The nested information within eDoc is analyzed by the bundle and to the individual piece level utilizing the IMb. A bundle is identified as broken when three or more IMbs for pieces in any given bundle are scanned on Postal Service bundle sorting equipment.
- b. The Lean Six Sigma (LSS) evaluation was completed in June 2015.
- c. The LSS team identified current Domestic Mail Manual (DMM) requirements and conducted on-site observations of processing of bundles prepared by Mail Service Providers (MSPs). The team also conducted a controlled test in bundle preparation using various methods of strapping and

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shrink or poly wrapping that MSPs utilize today, to determine the best method to minimize bundle breakage. As a result of the LSS project, the Postal Service adjusted bundle sorting support equipment and made modifications to the universal dumping equipment to mitigate places that might snag a bundle and break it open in order to minimize bundle breakage. In addition, the Postal Service is continuing to evaluate current DMM requirements to determine if revisions on bundle preparation are required.

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- 19.** The Postal Service reported a loss of \$75 million on Inbound Letter Post in its FY 2014 ACR. See Docket No. ACR2014, United States Postal Service FY 2014 Annual Compliance Report, December 29, 2014. On page 8 of the FY 2015 ACR, the Postal Service reports a loss of \$98 million on Inbound Letter Post, despite a 13 percent increase in terminal dues from group 1.1 target countries. Please discuss what steps are being taken to reduce the costs associated with this product and increase cost coverage.

RESPONSE:

The majority of the additional \$23 million loss on Inbound Letter Post at UPU rates can be attributed to the 7.5 percent decrease in inbound revenues due to the U.S. dollar – Special Drawing Right (SDR) exchange rate in FY 2015 vs. FY 2014 (\$19 million). Although inbound revenues from Target System Countries at UPU rates increased 12 percent on 2 percent higher volumes, unit cost per piece increased 7 percent. The Postal Service continuously seeks cost reductions in several operational areas and pursues bilateral agreements to increase cost coverage over default UPU rates.

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- 20.** The following requests pertain to Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 (Multi-Service Agreements).
- a. Please provide estimated revenue for each Multi-Service Agreement at UPU rates that demonstrate that the agreements improved the net financial position of the Postal Service.
 - b. Please discuss what steps are being taken to improve cost coverage of Multi-Service Agreements.

RESPONSE:

- (a) Please see ChIR.4.Q.20a.UPU Revenue Response.xls filed under seal as part of USPS-FY15-NP33 that accompanies this response.
- (b) The Inbound Market Dominant Multi-Service Agreements with Foreign Postal Operators 1 overall showed a positive cost coverage. Recent steps taken to improve cost coverage include the re-negotiation of the China Post Group and Canada Post agreements in FY 2016 which are expected to further improve this positive cost coverage.

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- 21.** The following requests pertain to Inbound Parcel Post (at UPU rates).
- a. For the Inbound Parcel Post (at UPU rates) product, please provide the total number of In-Office Cost System (IOCS) tallies, the coefficient of variation (CV) for the IOCS-based cost estimate, and the 95 percent confidence interval for the cost coverage.
 - b. The Postal Service states that "...the small volume of this service contributes to the difficulty in obtaining sufficient IOCS tallies through sampling." FY 2015 ACR at 67. Please provide any studies or resources that could be used to measure this product's volume and costs by means other than IOCS.
 - c. In FY 2014, Inbound Parcel Post (at UPU rates) covered costs. On page 66 of the FY 2015 ACR, the Postal Service reports that it did not cover its costs in FY 2015. The Postal Service attributes this change to the fact that it cannot unilaterally change the inward land rates it receives for Inbound Parcel Post, which are set by the UPU. *Id.* at 67. Please discuss what steps are being taken to reduce the costs associated with this product.

RESPONSE:

- (a) There were 201 IOCS tallies for all inbound Parcel Post (including Canada) in FY2015. The coefficient of variation (CV) for the total of mail processing costs, based on the Generalized Variance Function (GVF) approach is 7.8 percent. However, the calculation of the costs for Inbound Parcel Post (at UPU rates) involves estimation of separate costs for small subsets of this total (e.g. inbound Air Parcel Post for Developing Countries, inbound Surface Parcel Post for Developing Countries, inbound Air Parcel Post for Industrialized Countries, etc.), then re-combining to get a weighted average for the components that belong to the UPU category. This process increases the CV for the estimate of costs for inbound Parcel Post (at UPU rates) and

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excludes certain subsets of costs, such as parcels from Canada. However, even without calculating the effect on CVs of the cost calculation process, the 95 percent confidence interval for cost coverage would be 90 to 104 percent. The confidence interval would be even wider if CVs reflected a) the increase in CV due to the cost calculation process, and b) sampling variability associated with other data systems.

- (b) While alternative approaches to calculating costs could be taken, in order to maintain consistency within the ACR these could not be applied only to inbound Parcel Post at UPU rates, but would have to be used consistently within broader categories of products (e.g. all international products or all products together, depending on the approach selected).
- (c) Unexpected non-transportation cost per piece increases in the DC cost segment for both inbound air and surface parcel post led to the cost coverage issue in FY 2015. The referenced responses on the small inbound volume and IOCS sample size could be the contributing factor. Regarding the steps being taken to reduce costs associated with this product, the Postal Service continuously seeks cost reductions in several operational areas and pursues bilateral agreements to increase cost coverage over default UPU rates.

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- 22.** The following requests pertain to Outbound Competitive International Registered Mail.
- a. On page 68 of the FY 2015 ACR, the Postal Service states that it "...intends to examine whether pricing solutions would resolve this matter." If this examination has been completed, please discuss the results. If this examination has not been completed, please address when the Postal Service expects to begin the examination and when it expects to complete the examination.
 - b. Please confirm that Outbound Competitive International Registered Mail must be offered as a service for Letter Post, pursuant to the UPU Convention. If not confirmed, please discuss the financial and practical results of ending this service.

RESPONSE:

- (a) This pricing examination has not been completed. The Postal Service expects to complete this pricing examination in time for the next rate change.
- (b) Confirmed. According to Article 15 of the UPU Convention, Member Countries are required to provide a Registered Mail service for outbound priority and airmail Letter Post items.

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- 23.** Please provide revenue, volume, weight, and attributable costs data for the following 69 competitive domestic NSA products similar to the data for other competitive domestic NSA products filed with Library Reference USPS-FY15-NP27. If the data are not available, please explain.

Selected Contract Grouping	Contract	MC DOCKET	CP DOCKET	Implementation Date	Termination Date
First-Class Package Service (FCPS)	FCPS Contract 3	MC2012-19	CP2012-25	5/25/2012	5/25/2015
	FCPS Contract 4	MC2012-20	CP2012-26	5/25/2012	5/25/2015
	FCPS Contract 5	MC2012-21	CP2012-27	5/25/2012	5/25/2015
	FCPS Contract 6	MC2012-22	CP2012-28	5/25/2012	5/25/2015
	FCPS Contract 7	MC2012-23	CP2012-29	5/25/2012	5/25/2015
	FCPS Contract 8	MC2012-27	CP2012-36	7/6/2012	7/6/2015
	FCPS Contract 9	MC2012-28	CP2012-37	7/6/2012	7/6/2015
	FCPS Contract 10	MC2012-35	CP2012-43	7/31/2012	7/31/2015
	FCPS Contract 11	MC2012-40	CP2012-48	8/23/2012	8/23/2015
	FCPS Contract 12	MC2012-41	CP2012-49	8/23/2012	8/23/2015
	FCPS Contract 13	MC2012-42	CP2012-50	8/29/2012	8/29/2015
	FCPS Contract 14	MC2012-43	CP2012-51	8/29/2012	8/29/2015
	FCPS Contract 15	MC2012-45	CP2012-53	8/31/2012	8/31/2015
	FCPS Contract 16	MC2012-49	CP2012-61	10/11/2012	10/11/2015
	FCPS Contract 17	MC2012-50	CP2012-62	10/11/2012	10/11/2015
	FCPS Contract 18	MC2012-51	CP2012-63	10/11/2012	10/11/2015
	FCPS Contract 19	MC2012-52	CP2012-64	10/11/2012	10/11/2015
	FCPS Contract 20	MC2012-53	CP2012-65	10/11/2012	10/11/2015
	FCPS Contract 21	MC2013-8	CP2013-8	11/2/2012	11/2/2015
	FCPS Contract 22	MC2013-9	CP2013-9	11/2/2012	11/2/2015
	FCPS Contract 23	MC2013-10	CP2013-10	11/2/2012	11/2/2015
	FCPS Contract 24	MC2013-11	CP2013-11	11/2/2012	11/2/2015
	FCPS Contract 25	MC2013-12	CP2013-12	11/8/2012	11/8/2015
	FCPS Contract 26	MC2013-15	CP2013-14	11/19/2012	11/19/2015
	FCPS Contract 27	MC2013-17	CP2013-16	11/30/2012	11/30/2015
	FCPS Contract 28	MC2013-18	CP2013-17	11/30/2012	11/30/2015
	FCPS Contract 29	MC2013-19	CP2013-18	11/30/2012	11/30/2015
	FCPS Contract 30	MC2013-20	CP2013-19	11/30/2012	11/30/2015
	FCPS Contract 31	MC2013-21	CP2013-29	12/28/2012	12/28/2015
	FCPS Contract 33	MC2013-23	CP2013-31	12/28/2012	12/28/2015
	FCPS Contract 34	MC2013-24	CP2013-32	12/28/2012	12/28/2015
	FCPS Contract 37	MC2014-42	CP2014-75	9/11/2014	9/11/2017
Parcel Return Service	Parcel Return Service Contract 4	MC2013-46	CP2013-60	5/9/2013	5/9/2016
	Parcel Return Service Contract 6	MC2015-41	CP2015-53	4/1/2015	4/1/2018

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Selected Contract Grouping	Contract	MC DOCKET	CP DOCKET	Implementation Date	Termination Date
Parcel Select	Parcel Select and Parcel Return Service Contract 5	MC2014-1	CP2014-1	10/30/2013	10/30/2018
	Parcel Select Contract 10	MC2015-85	CP2015-141	9/30/2015	9/29/2018
Priority Mail & First-Class Package Service	Priority Mail & First-Class Package Service Contract 3	MC2015-45	CP2015-56	4/9/2015	4/8/2018
Priority Mail	Priority Mail Contract 36	MC2012-2	CP2012-6	1/25/2012	1/25/2015
	Priority Mail Contract 38	MC2012-7	CP2012-15	2/3/2012	2/3/2015
	Priority Mail Contract 43	MC2012-48	CP2012-58	9/24/2012	9/25/2015
	Priority Mail Contract 47	MC2013-7	CP2013-7	11/5/2012	11/3/2015
	Priority Mail Contract 51	MC2013-31	CP2013-40	1/25/2013	1/24/2016
	Priority Mail Contract 52	MC2013-35	CP2013-46	2/5/2013	2/5/2016
	Priority Mail Contract 53	MC2013-36	CP2013-47	2/8/2013	2/9/2016
	Priority Mail Contract 54	MC2013-37	CP2013-48	2/12/2013	2/13/2016
	Priority Mail Contract 55	MC2013-40	CP2013-52	3/12/2013	3/12/2016
	Priority Mail Contract 56	MC2013-42	CP2013-55	4/10/2013	4/10/2016
	Priority Mail Contract 57	MC2013-43	CP2013-56	4/10/2013	4/10/2016
	Priority Mail Contract 58	MC2013-47	CP2013-61	5/10/2013	5/10/2016
	Priority Mail Contract 68	MC2014-6	CP2014-7	12/3/2013	2/1/2014
	Priority Mail Contract 72	MC2014-10	CP2014-11	12/23/2013	12/20/2016
	Priority Mail Contract 73	MC2014-11	CP2014-15	1/10/2014	1/10/2016
	Priority Mail Contract 79	MC2014-20	CP2014-33	3/12/2014	3/12/2017
	Priority Mail Contract 84	MC2014-33	CP2014-59	8/5/2014	9/30/2017
	Priority Mail Contract 86	MC2014-35	CP2014-61	8/4/2014	8/4/2017
	Priority Mail Contract 88	MC2014-37	CP2014-63	8/4/2014	8/4/2017
	Priority Mail Contract 105	MC2015-20	CP2015-25	1/8/2015	1/7/2018
	Priority Mail Contract 112	MC2015-32	CP2015-42	3/3/2015	3/3/2018
	Priority Mail Contract 137	MC2015-73	CP2015-111	8/6/2015	8/5/2018
	Priority Mail Contract 140	MC2015-79	CP2015-126	8/27/2015	8/26/2018
	Priority Mail Contract 143	MC2015-83	CP2015-139	9/30/2015	9/29/2017
Priority Mail Express & Priority Mail	Priority Mail Express and Priority Mail Contract 15	MC2014-3	CP2014-3	12/1/2013	12/1/2014
	Priority Mail Express and Priority Mail Contract 19	MC2015-69	CP2015-107	8/5/2015	8/4/2018
Priority Mail Express	Priority Mail Express Contract 12	MC2012-36	CP2012-44	8/16/2012	8/16/2015
	Priority Mail Express Contract 14	MC2013-41	CP2013-53	3/8/2013	3/8/2016
	Priority Mail Express Contract 15	MC2013-50	CP2013-63	5/24/2013	5/24/2016
	Priority Mail Express Contract 21	MC2015-14	CP2015-17	12/12/2014	12/11/2017
	Priority Mail Express Contract 27	MC2015-81	CP2015-135	9/15/2015	9/14/2018
Priority Mail Express, Priority Mail, & First-Class Package Service	Priority Mail Express, Priority Mail, & First-Class Package Service Contract 1	MC2012-46	CP2012-55	9/21/2012	9/25/2015

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RESPONSE:

The NSA contracts specified in the question fall into one of five categories:

- 1) There were no mailings under the NSA in FY14.
- 2) The NSA Partner paid published prices, as explained below.
- 3) The revenue, volume, weight, and attributable cost data were included in another contract with same customer (see table for contract #).
- 4) The revenue, volume, weight, and attributable cost data were reported incorrectly in another contract # with same customer (see table for contract #). There is one such contract, involving an almost identical contract with the same customer, which should have been reported under the superseding contract as all the other category 3 contracts were.
- 5) The revenue, volume, weight, and attributable cost data were reported incorrectly in another contract # with a different customer (see table for contract #). There is one such contract, the result of a typo when the contract was entered into a tracking workbook .

For each contract, the table below identifies either the other contract in which the data were reported, or the category which indicates why there are no data to provide.

With respect to the second category, all 31 FCPS NSAs paid published, not discounted, prices. These NSAs initially were used to enable partners to use PCPostage as a payment method during a time when postage statements were the required method. However, as of January 27, 2013, PCPostage is now allowed as a payment mechanism and contracts are no longer required (see Postal Bulletin, *DMM Revision: Domestic Competitive Products Pricing and Mailing Standard Changes*, Dec. 13, 2012). The last FCPS NSA (FCPS 34) was filed on December 17, 2012. For the above reasons, data for FCPS contracts were not tracked, so contract-specific workbooks are not available. Since the mail was entered at published rates, data for

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mail entered by mailers who previously were FCPS NSA partners are included with all other FCPS data.

In the case of Category 3, revenue, volume, weight, and attributable costs for the contracts have been reported in the superseding contract identified in Column 7 (Explanation). In the case of categories 4 and 5, revenue, volume, weight, and attributable costs for FY 2015 should have been reported under the docket numbers in Columns 3 (MP Docket) and 4 (CP Docket). Instead, they were reported incorrectly in the docket in Column 7 (Explanation).

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Table Part1 for Response to CHAIRMAN'S INFORMATION REQUEST NO. 4, Q 23

Table Part1 for Response to CHAIRMAN'S INFORMATION REQUEST NO. 4, Q 23							
Selected Contracted Grouping	Contract	MC Docket	CP Docket	Implementation	Termination	Explanation	
				Date	Date		
First-Class Package Service							
	First-Class Package Service Contract 3	MC2012-19	CP2012-25	5/25/2012	5/24/2015	[2]	
	First-Class Package Service Contract 4	MC2012-20	CP2012-26	5/25/2012	5/24/2015	[2]	
	First-Class Package Service Contract 5	MC2012-21	CP2012-27	5/25/2012	5/24/2015	[2]	
	First-Class Package Service Contract 6	MC2012-22	CP2012-28	5/25/2012	5/24/2015	[2]	
	First-Class Package Service Contract 7	MC2012-23	CP2012-29	5/25/2012	5/24/2015	[2]	
	First-Class Package Service Contract 8	MC2012-27	CP2012-36	7/6/2012	7/5/2015	[2]	
	First-Class Package Service Contract 9	MC2012-28	CP2012-37	7/6/2012	7/5/2015	[2]	
	First-Class Package Service Contract 10	MC2012-35	CP2012-43	7/31/2012	7/30/2015	[2]	
	First-Class Package Service Contract 11	MC2012-40	CP2012-48	8/23/2012	8/23/2015	[2]	
	First-Class Package Service Contract 12	MC2012-41	CP2012-49	8/23/2012	8/23/2015	[2]	
	First-Class Package Service Contract 13	MC2012-42	CP2012-50	8/29/2012	8/28/2015	[2]	
	First-Class Package Service Contract 14	MC2012-43	CP2012-51	8/29/2012	8/28/2015	[2]	
	First-Class Package Service Contract 15	MC2012-45	CP2012-53	8/31/2012	8/30/2015	[2]	
	First-Class Package Service Contract 16	MC2012-49	CP2012-61	10/11/2012	10/10/2015	[2]	
	First-Class Package Service Contract 17	MC2012-50	CP2012-62	10/11/2012	10/10/2015	[2]	
	First-Class Package Service Contract 18	MC2012-51	CP2012-63	10/11/2012	10/10/2015	[2]	
	First-Class Package Service Contract 19	MC2012-52	CP2012-64	10/11/2012	10/10/2015	[2]	
	First-Class Package Service Contract 20	MC2012-53	CP2012-65	10/11/2012	10/10/2015	[2]	
	First-Class Package Service Contract 21	MC2013-8	CP2013-8	11/2/2012	11/1/2015	[2]	
	First-Class Package Service Contract 22	MC2013-9	CP2013-9	11/2/2012	11/1/2015	[2]	
	First-Class Package Service Contract 23	MC2013-10	CP2013-10	11/2/2012	11/1/2015	[2]	
	First-Class Package Service Contract 24	MC2013-11	CP2013-11	11/2/2012	11/1/2015	[2]	
	First-Class Package Service Contract 25	MC2013-12	CP2013-12	11/8/2012	11/7/2015	[2]	
	First-Class Package Service Contract 26	MC2013-15	CP2013-14	11/19/2012	11/18/2015	[2]	
	First-Class Package Service Contract 27	MC2013-17	CP2013-16	11/30/2012	11/29/2015	[2]	
	First-Class Package Service Contract 28	MC2013-18	CP2013-17	11/30/2012	11/29/2015	[2]	
	First-Class Package Service Contract 29	MC2013-19	CP2013-18	11/30/2012	11/29/2015	[2]	
	First-Class Package Service Contract 30	MC2013-20	CP2013-19	11/30/2012	11/29/2015	[2]	
	First-Class Package Service Contract 31	MC2013-21	CP2013-29	12/28/2012	12/27/2015	[2]	
	First-Class Package Service Contract 33	MC2013-23	CP2013-31	12/28/2012	12/27/2015	[2]	
	First-Class Package Service Contract 34	MC2013-24	CP2013-32	12/28/2012	12/27/2015	[2]	
	First-Class Package Service Contract 37	MC2014-42	CP2014-75	9/11/2014	9/10/2017	[1]	
Parcel Return Service							
	Parcel Return Service Contract 4	MC 2013-46	CP 2013-60	5/9/2013	5/8/2016	[1]	
	Parcel Return Service Contract 6	MC 2015-41	CP 2015-53	4/1/2015	3/31/2018	[1]	
Parcel Select							
	Parcel Select and Parcel Return Service Contract 5	MC 2014-1	CP2014-1	10/30/2013	10/29/2018	[4], CP2012-40	
	Parcel Select Contract 10	MC 2015-85	CP2015-141	9/30/2015	9/29/2018	[1]	
Notes							
[1]	There were no mailings under contract in FY15						
[2]	Partner paid published prices						
[3]	Revenue and volume included in another contract with same customer (see table for contract #)						
[4]	Revenue and volume reported in another valid contract with same customer (see table for incorrect contract #)						
[5]	Revenue and volume reported in wrong contract number with different customer (see table for wrong contract #)						

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Table Part2 for Response to CHAIRMAN'S INFORMATION REQUEST NO. 4, Q 23

Selected Contract Grouping	Contract	MC Docket	CP Docket	Implementation Date	Termination Date	Explanation
Priority Mail & First-Class Package Service	Priority Mail & First-Class Package Service Contract 3	MC 2015-45	CP 2015-56	4/9/2015	4/8/2018	[5], CP2015-55
Priority Mail	Priority Mail Contract 36	MC2012-2	CP2012-6	1/25/2012	1/25/2015	[1]
	Priority Mail Contract 38	MC2012-7	CP2012-15	2/3/2012	2/3/2015	[1]
	Priority Mail Contract 43	MC2012-48	CP2012-58	9/24/2012	9/25/2015	[1]
	Priority Mail Contract 47	MC2013-7	CP2013-7	11/5/2012	11/3/2015	[1]
	Priority Mail Contract 51	MC2013-31	CP2013-40	1/25/2013	1/24/2016	[1]
	Priority Mail Contract 52	MC2013-35	CP2013-46	2/5/2013	2/5/2016	[1]
	Priority Mail Contract 53	MC2013-36	CP2013-47	2/8/2013	2/9/2016	[1]
	Priority Mail Contract 54	MC2013-37	CP2013-48	2/12/2013	2/13/2016	[1]
	Priority Mail Contract 55	MC2013-40	CP2013-52	3/12/2013	3/12/2016	[1]
	Priority Mail Contract 56	MC2013-42	CP2013-55	4/10/2013	4/10/2016	[1]
	Priority Mail Contract 57	MC2013-43	CP2013-56	4/10/2013	4/10/2016	[3], CP2014-53
	Priority Mail Contract 58	MC2013-47	CP2013-61	5/10/2013	5/10/2016	[3], CP2014-72
	Priority Mail Contract 68	MC2014-6	CP2014-7	12/3/2013	2/1/2014	[1]
	Priority Mail Contract 72	MC2014-10	CP2014-11	12/23/2013	12/20/2016	[1]
	Priority Mail Contract 73	MC2014-11	CP2014-15	1/10/2014	1/10/2016	[1]
	Priority Mail Contract 79	MC2014-20	CP2014-33	3/12/2014	3/12/2017	[1]
	Priority Mail Contract 84	MC2014-33	CP2014-59	8/5/2014	9/30/2017	[1]
	Priority Mail Contract 86	MC2014-35	CP2014-61	8/4/2014	8/4/2017	[1]
	Priority Mail Contract 88	MC2014-37	CP2014-63	8/4/2014	8/4/2017	[1]
	Priority Mail Contract 105	MC2015-20	CP2015-25	1/8/2015	1/7/2018	[1]
	Priority Mail Contract 112	MC2015-32	CP2015-42	3/3/2015	3/3/2018	[1]
	Priority Mail Contract 137	MC2015-73	CP2015-111	8/6/2015	8/5/2018	[1]
	Priority Mail Contract 140	MC2015-79	CP2015-126	8/27/2015	8/26/2018	[3], CP2015-23
	Priority Mail Contract 143	MC2015-83	CP2015-139	9/30/2015	9/29/2017	[1]
Priority Mail Express & Priority Mail	Priority Mail Express and Priority Mail Contract 15	MC2014-3	CP2014-3	12/1/2013	12/1/2014	[1]
	Priority Mail Express and Priority Mail Contract 19	MC2015-69	CP2015-107	8/5/2015	8/4/2018	[1]
Priority Mail Express	Priority Mail Express Contract 12	MC2012-36	CP2012-44	8/16/2012	8/16/2015	[3], CP2014-17
	Priority Mail Express Contract 14	MC2013-41	CP2013-53	3/8/2013	3/8/2016	[1]
	Priority Mail Express Contract 15	MC2013-50	CP2013-63	5/24/2013	5/24/2016	[3], CP2014-74
	Priority Mail Express Contract 21	MC2015-14	CP2015-17	12/12/2014	12/11/2017	[1]
	Priority Mail Express Contract 27	MC2015-81	CP2015-135	9/15/2015	9/14/2018	[1]
Priority Mail Express, Priority Mail, & First-Class Package Service	Priority Mail Express, Priority Mail & First-Class Package Service Contract 1	MC2012-46	CP2012-55	9/21/2012	9/25/2015	[1]
Notes						
[1]	There were no mailings under contract in FY15					
[2]	Partner paid published prices					
[3]	Revenue and volume included in another contract with same customer (see table for contract #)					
[4]	Revenue and volume reported in another valid contract with same customer (see table for incorrect contract #)					
[5]	Revenue and volume reported in wrong contract number with different customer (see table for wrong contract #)					